

MEMORANDUM

DATE: March 7, 2014
TO: Chairmen and Members of the Environment Committee
FROM: Mary Glassman, Chairman, Capitol Region Council of Governments
Richard J. Barlow, Secretary, Capitol Region Council of Governments
Lyle D. Wray, Executive Director, Capitol Region Council of Governments
**RE: GOVERNOR'S BILL NO. 27, AN ACT CONCERNING CONNECTICUT'S RECYCLING AND
MATERIALS MANAGEMENT STRATEGY**

The Capitol Region Council of Governments (CRCOG) which represents Hartford and 29 surrounding towns has been actively involved in representing the solid waste management interests of its members since 2008 when the existing long term contracts with the CRRA for many of our municipalities were approaching expiration. Ultimately with CRCOG's assistance, the Central Connecticut Solid Waste Authority was formed to develop regional solid waste management options. In the past, CRCOG has also supported legislation to provide its municipalities greater representation in the governance of CRRA.

CRCOG supports the intent of Governor's Bill No 27 that will revise the state-wide solid waste management plan by incorporating the modernization of the state's solid waste infrastructure, promotion of organic materials management and the recycling of construction and demolition debris, and the establishment of the Materials Innovation and Recycling Authority as a successor authority to the Connecticut Resources Recovery Authority. CRCOG offers the following recommendations and comments to clarify the intent of the bill.

CRCOG understands that the system for appointment of Directors of MIRA will be the same as the currently exists for CRRA and that the present CRRA Directors will automatically become the MIRA Directors. Language should be inserted in the proposed bill to clearly articulate this assumption.

Through the transfer of assets to private contractors pursuant to operating agreements executed many years ago, the CRRA solid waste management system has been basically reduced to the MidConn Hartford facility, now known as the Connecticut Solid Waste System. Following the repayment of the outstanding bonds last fall and the expiration of municipal services agreements executed twenty years ago, the CSWS presently services fifty one member municipalities including fifteen CRCOG members and various other private haulers serving non-municipal customers in other Connecticut towns. The new MSA's executed in 2012 are for three year (Tier 3), five year (Tier 2, short term) or fifteen year (Tier 1, long term) periods.

The CRRA has recently completed a transition plan required by the General Assembly last session which outlines a strategic plan to remain financially viable for the next ten years with the goal to develop new technologies during that time to replace the existing Hartford facility. This is consistent with the proposal in the Governor's Bill, however CRCOG towns served by the Hartford facility have two major concerns with the Bill as drafted.

First, the current MSA's executed between the CRRA CSWS and the member municipalities contain opt out provisions if the annual tip fees are exceeded. Those fees as calculated include both an annual cost

escalator tied to economic indicators and for cost increases incurred to operate the system as may be caused by state requirements and mandates. The member municipalities are concerned that should the new system chosen to be implemented by the Commissioner of DEEP increase the tip level beyond that tied to the economic adjustments that they would not be able to execute the MSA opt out provisions because the increases were caused by a state mandate. That would be unacceptable to the municipal customers.

Second, the Bill as drafted gives the exclusive authority to choose the new technology to the Commissioner of DEEP. Again this is unacceptable to the municipal customers. CRCOG has for many years supported changes to the membership of CRRA to make the Directors more representative of the member municipalities. While they have been unable to effect legislative changes to accomplish that goal over the last two years, the appointed CRRA Directors have changed to the point that now the majority of Directors are elected or appointed municipal officials. Municipal customer interests would therefore be better represented if MIRA were given a more active role in the selection of the new technology.

As the CRRA system has downsized to the fifty one member town CSWS, it is appropriate as proposed in the Governor's Bill No 27 to remove the requirement that MIRA provide for statewide implementation of the state solid waste management plan and statewide education. These tasks are important if the goals of this bill are to be implemented state-wide. The bill as drafted neither reassigns these tasks or provide a mechanism to require that all state-wide municipal and private waste management systems achieve the objectives required of the MIRA Hartford facility. This is a major shortcoming which should be addressed.

CRCOG appreciates the opportunity to provide testimony on this proposed bill and looks forward to providing any additional assistance the Committee may request.